Newsletter | March 31, 2022

Dear Clients,

The first quarter of 2022 has seen the world change in so many ways in such a short period of time. This was not the beginning of the end of the pandemic that anyone would have predicted 3 months ago. If you stopped looking at the financial news on December 31, 2021, and looked at say, the S&P 500 again only on March 31, you would have thought, oh well, a minor downturn in the stock markets after a Fed rate increase. The reality is stock and bond markets, oil, gold, commodities, currencies, interest rates, the VIX and more have all been on a roller-coaster ride.

Just as many countries are dropping most of their COVID restrictions, China and other countries are locking down again, Ukrainians are fighting to protect their country and their citizens, and the Fed is starting down its well-advertised path of rate increases. It is the latter that by far has the most impact on asset prices (much more than the war).

Most of our clients have taken this latest round of market volatility in stride, like so many others we have seen. We are and should always be ready for this type of volatility. For our few clients who were concerned, and rightfully so, there was always a personal circumstance that has magnified their concerns. If you are losing sleep over this volatility, it is always a sign to give us a call. We are also seeing a notable increase in people on the move, changing jobs and moving countries for a variety of reasons.

In the following newsletter there are a lot of topics and many more omitted, I think I could have written 50 pages this quarter. As always, the newsletter is divided into subsections to make it easier to peruse. You will find commentary on the Federal Reserve, personal cybersecurity, Ukraine, China, recent stock market volatility, and inflation. I will also touch on cryptocurrency, COVID, international health insurance, VAT on cross-border services, 529 accounts from overseas, ESG investing, and more. I could not bear the thought of writing more on taxes and compliance ...maybe next time! And I am looking forward to a newsletter where COVID does not appear anywhere!

Finally, you will find an offer for **coffee** for White Lighthouse clients (search for DONA in this newsletter) and a wonderful financial education platform for women, based in Switzerland (search for Aysha).

What's Influencing the Stock Markets Volatility to Start 2022? Fed, Inflation, Oil, and Sundry Financial Topics

The images and stories from any war zone are terrible, in Ukraine, this is no exception. Besides a few days of extreme sentiment changes [fear of large-scale widening of the war zone and use of weapons of mass destruction...which thankfully seem highly unlikely], the war is not the primary driver of valuations in global stock markets. While indeed commodity (energy and food) prices will be more volatile, due to the conflict, it is still interest rate policy in the US and to a lesser extent the EU, that is the primary driver of the recent market downturn. War, unfortunately, tends to be a net positive for company profits as it acts as an accelerant to economic activity; though individual industries, companies and people, just like during COVID, may suffer dramatic misfortunes.

On March 16th, the Federal Reserve announced their first of 7 expected 1/4-point rate increases. And when I say expected, I really mean that. The Federal Reserve advertises, in lights, well in advance what it is thinking today about future rate increases and wisely leaves plenty of room for changing course. The Fed's Dot plot (where each Fed Governor thinks rates will be at various times in the future) is one tool used to advertise the future. Another is various communications that come out after each Fed meeting, as well as intermittent public statements. Investors have known for several months to expect 7 rate increases in 2022, and this corresponds quite clearly with the big initial drop in stock prices late last year and into 2022.

The war in Ukraine and, specifically, its impact on sentiment, oil and gas markets, and grains will somewhat complicate the Fed's communications, but is unlikely to knock it off its current rate increase track. The many international companies that have shuttered businesses in Russia will be a mere blip in most of the P&L's; overall exposure to the Russian economy is quite small in your investment accounts. After all, it is interest rate expectations (rather than the increases themselves) that tend to drive asset prices; the increases impact more directly lending rates. So, if there are no big surprises in interest rate policy compared to expectations, expect to see less volatility in the markets later this year.

While for many of you it may seem too early to be optimistic about more calm in the markets ahead, I expect that the week of March 14th (the US stock markets had their best week since 2020, which is only a reversal of some of the earlier downturns) is likely the start of the next considerable rally in stock prices. Like everyone else, I really hope that the needless violence in Ukraine ends soon and that COVID impacts continue to fade into the background, but what I see is the foundation building for continued economic growth.

News headlines will continue to be correlated with the stock market, but we are seeing the VIX (fear index) dropping sharply in the past few weeks and some inflation measures seem to be moderating. Interest rates are likely, even after the increases, to stay at moderately low levels, employment looks to remain high, and the world remains awash in cash ready to be invested. The path out of the Pandemic has hit some unexpected headwinds, but overall, companies remain quite profitable.

One key thing to remember about investing in stocks: it is very easy to see the price of a stock or the market, but what you are buying as an investor is a right to the future earnings of the underlying companies. Comparing stock prices today to last year (the level of the market) misses an important component. In 2021, S&P500 company profits were up about 50%, bringing the price to earnings ratio (with market declines earlier this year) to the low 20s, making the market "cheaper" than it has been in the last two years. There are many variations of price to earnings ratios, some covered in previous newsletters. For those of you who are interested, this site has some interest graphing features, you may want to start by looking at the PE ratio for TTM (Trailing 12 Months).

Google, one of the key stock market growth drivers of the 21st century, recently had a P/E ratio of about 22. If you expect the company to have continued growth and are a market timer (I am not), this would be a "screaming buy". All in all, growth stocks have gotten quite a bit cheaper than the market, as a whole, this year, which is why when we were rebalancing this quarter you may have seen purchases in growth and technology again.

Ukraine

The war in Ukraine is an absolute tragedy and was very much avoidable. The suffering of the Ukrainian people, both those who have stayed to defend their country and those who have fled the violence, is unimaginable. The suffering of many Russians, and those families with strong ties to both countries, will undoubtedly shake the foundations of Russia and is likely to cause considerable instability along with a more authoritarian reaction from the government. I am not a political scientist though I continue to find all these subjects more interesting as I get older. From my father's side of our family, both sets of grandparents were from Ukraine with one from Russia. Though, it is only friends from both countries that I have today, no known relatives; so, I am very much an armchair and amateur analyst here.

I have followed a lot of the news stories (mostly written) and my first opinions are going something like this. I think Vladimir Putin has managed to do more for western liberal democracy than any politician since Reagan and Gorbachev. In a matter of days, he seems to have brought the EU closer together, and given government leaders from London, Berlin, Paris, Washington, and more, much more stature than they perhaps deserve as they were all struggling with many domestic challenges. I also think that Putin was partially hoodwinked by the West into attacking Ukraine. Putin and Russia's cosiness with China (just swell that the invasion was postponed until after the Olympics being hosted in Beijing) is a threat to the West and a weakened or toppled Putin, perhaps replaced by a more Western friendly government, would appear to play right into the hands of the people whose responsibility it is to instigate world strategy.

The Ukrainians have been fighting valiantly to defend their country against a much larger military and the arms, that have been flowing into the country from the West for many years seem to have given them the means by which to inflict tremendous and unexpected damage to Russian troops and equipment. People in the "know" seem to have been expecting this war for many months and one must imagine that both the build up in arms in Ukraine and the speed at which the West imposed sanctions on Russia must have had some advanced planning prior to the end of February.

The Economist, one of my favorite news sources, had many interesting articles. One of the articles that influenced me the most was written by John J. Mearsheimer, a political scientist from the University of Chicago. He convincingly presents the case that the current crises started in 2008 when NATO announced that "Ukraine and Georgia" would become members and since then Putin and his government have felt even more threatened by the West, to the point they do believe their actions are in defence of Russian security.

Two weeks after Mearsheimer's article, The Economist published a rebuttal by Sir Adam Roberts, an emeritus professor of international relations at the University of Oxford. Robert's article does a reasonable job of highlighting other related factors but sounds more like a professional disagreement than an effective rebuttal, which I think should have focused more on why President Putin bears more responsibility. While interesting and theoretical, the more important elements now are to look forward to how this conflict will end and if a more stable environment is possible.

As March is ending, it is clear that the Russians have not been anywhere near as successful as they hoped, and have suffered heavy losses of people, equipment and reputation, at least in the West. Russia has publicly stated that "phase 1" is over and that they will now "focus on liberating the Donbas region". Talks are continuing between the two sides but clearly the end of the war, the terms of peace, and the rebuilding phase all seem quite distant. Fear, as measured by Western stock markets rallying strongly the last two weeks, seems to indicate that investors around the globe are expecting things to resolve soon; or at least not to expand into a wider conflict.

While I hope that peace and rebuilding come very quickly, I expect that this conflict will have very long-lasting effects well beyond the borders of Ukraine. From a global economic standpoint, it is likely to noticeably increase economic activity, especially in the EU. If there is not a dramatic increase in fighting, especially beyond Ukraine's borders, this war is likely to recede from the news headlines (e.g., not cause any major market movements), but let us hope that the millions of victims and the assistance they will need is not forgotten.

China's Stock Market

Since last summer, the Chinese government has instituted several policies that have had wide reaching impact on the practices and value of publicly traded companies, mostly to the downside. These seem to be largely motivated by regulatory and political considerations. Then to the surprise of the market investors (double digit returns in a single day indicate a big surprise) on March 16th, Beijing came out with an announcement that was very "market friendly". A cynic could be forgiven for thinking that the timing of this announcement, just a few months before the 20th

National Congress of the Chinese Communist Party, was to help the current leadership maintain their control and influence for many years to come. Between, the Shanghai Composite Index was almost flat, but this hides an almost 10% move down and then back up (after the announcement) with some individual stocks moving 30% or more.

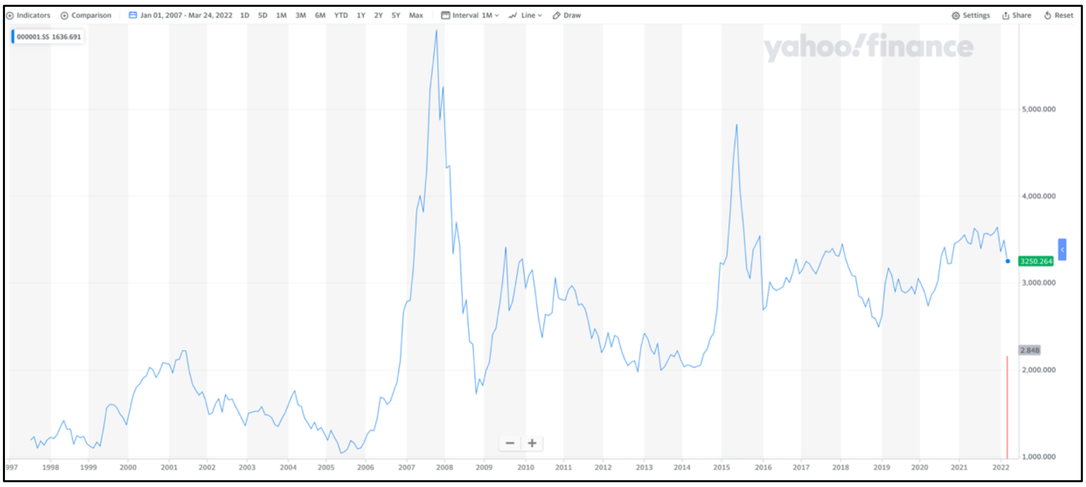
China's economy over the last 25 years has grown at a blistering pace, lifting hundreds of millions of people out of poverty for the world's most populous nation and fuelling economic growth and influence around the world. Many Chinese companies indeed produce world class products and services, yet all the growth has not necessarily been good for many investors. The Chinese economy, stock market and currency all are much less free than their counterparts in the US, Europe, Japan, and other developed markets.

A look at the graphs below [credit to www.finance.yahoo.com] shows the returns of the S&P500 compared to the Shanghai Composite Index over several time periods. [Fair warning, be sceptical of all authors, this one included cherry-picking, time frames, and statistics to make a point.] I chose several time periods in order to give a more balanced view. What's clear is that unless you were an amazing "market timer", a buy and hold (and rebalance) approach would have yielded much better returns in the S&P500 than in the Shanghai Composite Market over the most time frames in the last 25 years. In fact, if we want to bring our cherry picking to an extreme, look at the returns from January 2008 to the present. Over 200% for the S&P 500 and negative 38% for the Shanghai market.

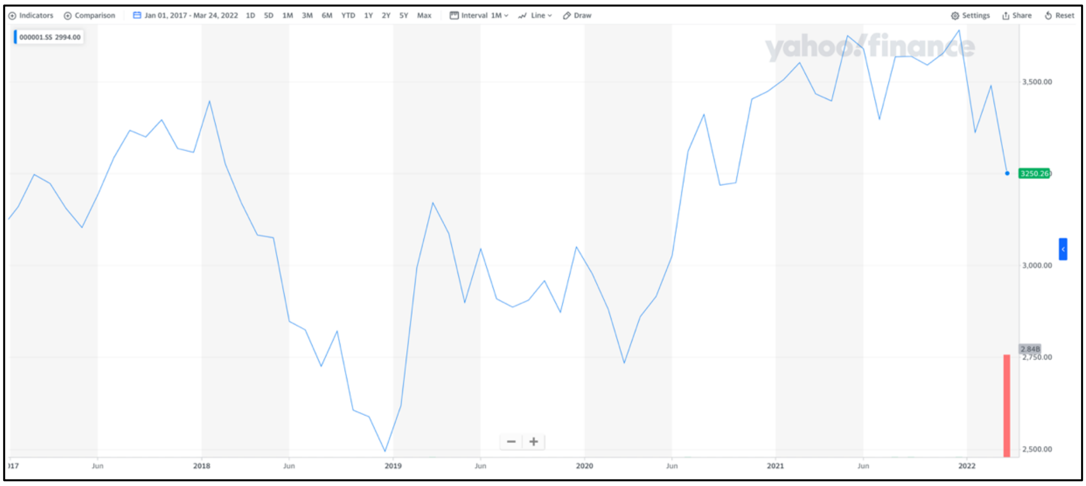
I have always been a timid investor when it comes to China. This has everything to do with risk management for our clients. While there are tremendous investment opportunities in China and around the globe, stock market investors have had to be very good and very lucky to profit. We continue to maintain exposure to China, mostly through our international funds and, of course, through the many Western Companies who have large customer and supplier bases in China.

The Shanghai Stock Exchange 25 years from July 1, 1997, to March 23, 2022

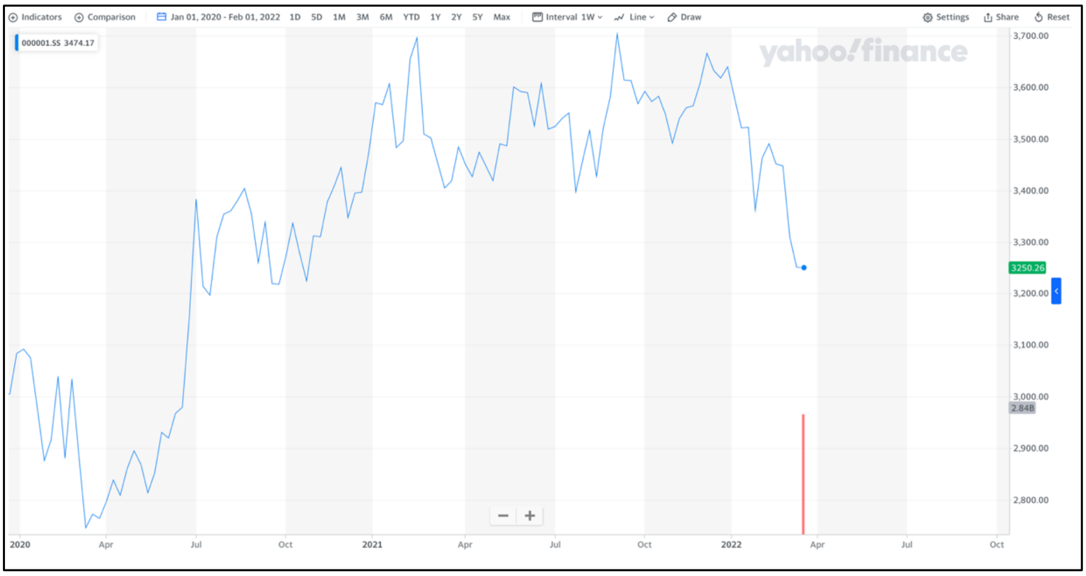
The Shanghai Stock Exchange 15 years from Jan 1, 2007, to March 23, 2022



The Shanghai Stock Exchange 5 years from Jan 1, 2017, to March 23, 2022



The Shanghai Stock Exchange from Jan 1, 2020, to March 23, 2022



DONA - A New Coffee Brand and a Special Offer for Our Clients

On March 8th, International Women's Day, a new coffee brand was launched in Switzerland: DONA. White Lighthouse is delighted to be able to support business initiatives from our family of clients and employees. DONA coffee was created by Elisa Dot Bach, the spouse of John Wanvig, one of our Financial Planners. DONA means "woman" in Elisa's mother tongue, Catalan. Elisa sources the very best specialty coffee from women-owned farms in Colombia, Rwanda, Brazil, Congo, and Sumatra. She created DONA coffee to celebrate and support the courageous women who own and operate coffee farms around the world.

Did you know that 70% of the work done on coffee farms is carried out by women, but only a very small percentage of the coffee farms are owned by them? By supporting DONA, Elisa and DONA's customers are helping to change the lives of these women and their communities whose incredible dedication results in a fantastic cup of coffee. Elisa imports the green coffee to Switzerland and then carefully roasts and packs her delicious coffee in Geneva. It is available as whole beans and compostable capsules (Nespresso machine compatible).

White Lighthouse is proud to support Elisa's new business by creating a special offer for all White Lighthouse clients. If you buy 4 or more standard bags (whole beans or capsules) of coffee from her DONA website before Mother's Day, May 8th, for shipment to Switzerland, just enter the code WLHDONA22. Included in the box with your first order of coffee, White Lighthouse will provide you with a personal voucher good for 4 standard bags of DONA coffee. We kindly ask you not to share the code/voucher outside of the White Lighthouse community.

DONA: Exceptional Coffee Grown by Exceptional Women!

Invest Like Aysha

Last year, an interesting inquiry arrived in my inbox from Fanny Plattner-Cantin and Aysha van de Paer; sisters and co-owners of Invest Like Aysha. Aysha and Fanny run a program to train women how to invest for the long-term and in alignment with their values. They are entirely independent of any service, fund providers or banks, and they asked a series of excellent questions after doing their research. They know very clearly many of the additional challenges Americans overseas face and wanted to ensure they were giving accurate information in the context of their training. Earlier this year, I had the pleasure of meeting Fanny and Aysha in person and am very impressed by the content of the course they developed, their values and their true understanding of what is "best" for individuals. This gives me some hope that the financial services industry in Switzerland and elsewhere will continue to evolve with better education. If you or a family member are looking for a boost to your financial education, I can wholeheartedly recommend enrolling in their course. I hope that I can find ways to further support Fanny and Aysha in the future and hope to see them become a major force in the Swiss financial services market.

Personal Cybersecurity

One risk that virtually all of us have some concern about is the theft of our digital assets which comprises of both data about us as well as our assets (cash in our bank accounts, investments, etc). Virtually all companies are required to comply with data protection regulations and financial technology and medical organizations, especially, have more stringent requirements. White Lighthouse is no exception. Our cybersecurity efforts were audited by the SEC for example (with no recommended changes necessary), and we have a comprehensive cybersecurity policy which is regularly reviewed. One of the biggest safeguards we have for our clients is that we do not have any blanket authority to make withdrawals from client accounts, with very limited exceptions for internal transfers authorized by clients (e.g. IRA contributions or distributions) or to request to the custodians that our fees be paid each quarter. While there have been several attempts that we are aware of (mostly client e-mail accounts being hacked), no clients have lost any money from the accounts we manage.

Nonetheless, cybersecurity remains an extremely important topic regardless of which country you live in and I would like to share some more thoughts for your consideration. The last time I wrote comprehensively about this was after the Equifax breach and one of the key recommendations there, was that for a US person, we strongly recommend using a credit monitoring service, this is one of the best ways to be alerted to identity theft. We expect similar services like this will eventually come to other countries but are unaware of any commercial services yet available to consumers. Switzerland for example has four credit reporting agencies, CFIF, Intrum, Justita, Bisnode, and Creditreform, but so far, they seem to be mainly consulted for the "protection" of lenders who want to evaluate consumer credit risk.

In Switzerland, we know consumers are contacted by phone and e-mail by fraudsters attempting to steal money and information, with recent examples being a client receiving a call supposedly from BNP Paribas and I was contacted to get a "refund" from a duplicate Swisscom bill. These are examples of "social engineering", where a criminal attempts to gain the trust of their target...There is almost always a sense of "urgency" and an offer to "help". Below I have compiled some additional thoughts on cybersecurity as a whole and some simple steps we can all take to better protect ourselves from the risk of loss.

Many organizations: Governments, tech companies, and bad actors have databases of information about as many individuals as they can, including related data, birthday, phone number, social security number, etc. It is hundreds of millions, or billions, of individuals and these organizations generally have a lot more information than people realize. The organizations even make profiles of people who have no on-line presence. The Israelis pioneered many of the methods here to gather intelligence on terrorists. The technology for mass surveillance and data collection are much more widely available than most people realize.

Additionally, virtually anything that is stored on a computer, even many that are not connected to the internet (e.g., Stuxnet virus that helped to destroy parts of Iran's nuclear facility) should be considered likely to end up somewhere it should not. The tens of thousands of "hackers" who work for governments, private companies, or on their own, when determined enough, can break into virtually any computer system. This is done with great regularity. Anyone with a curiosity of their "file" with any US government agency can file a FOIA request and find out that their files are mostly generated by computer programs, and readily available if wanted or needed.

This may be disheartening, but I think that we all must operate as though virtually all information about us is readily available on-line. This means demographic information, account numbers, income, tax ID numbers, birthdates, many of your passwords, etc. So much of the efforts around data protection seem to focus on protecting information that is already "out there". I still would advise people to make reasonable and responsible efforts to protect information but realize that most of our data is already very easily accessible. With that in mind, instead of over-focusing all your efforts on protecting data that is already out there, focusing on the other things that people can do with that data, I think, is more effective. Here are some practical ideas to consider.

All US persons should subscribe to a credit monitoring service for them and their family. This will pick up some of the worst kind of ID theft issues, e.g., if someone tries to get a mortgage or incur other debt with your credentials. This insurance, around $100 a year give or take, is excellent insurance. Though note that most ID theft is from people known to the victim and is surprisingly often family and friends.

- Use banks that are government insured and don't keep cash above their insurance levels. FDIC insurance in the US has a $250,000 limit. Swiss insurance, which we have also written about in the past, is limited to 100,000CHF per account holder and is collective with all the other banks participating, not the Swiss Government.
- Almost no financial institution will call or e-mail you if they suspect fraud on your account. Rather, they will block your accounts and wait for you to contact them. Most firms will tell you (and us) very little information about their fraud prevention techniques.
- If you receive a call or an e-mail asking for any money or personal information, your guard should immediately go up. You should start by asking more questions, such as name, contact information, phone numbers, etc. of the person contacting you. When in doubt, contact your service provider directly with their commercially available phone number(s).

- Use custodians, like Schwab, who still have the best cyber protection policy in the industry.
- Securities are much more difficult to transfer than cash, from a theft standpoint. It takes time for trades to clear versus a wire transfer which can be almost instantaneous. Transfer requests for assets have a lot more "eyes" watching than cash and take a lot more time.
- Keep larger amounts of excess cash in an account that you don't spend from (e.g., savings account not checking account).
- **Check your accounts, briefly, but daily for suspicious transactions.** When there is a doubt, acting quickly cuts off lots of problems.
- Use credit cards, not debit cards, when possible. US credit cards tend to have the best fraud protection policies.
- Use anti-virus software. (Malwarebytes is what many of the techies have recommended in the past.)
- Keep your operating system and your browsers up-to-date. Technology companies are regularly fixing security flaws.
- Use a difficult combination for passwords and do not use the same password on any two systems.
- When storing passwords, consider using password salting. (This is something I have done for years, but just became aware of the terminology. It is when you store a password, it is not exact and only you know and remember certain characters that should be added or deleted.)
- Use 2-factor authentication anywhere this is available.

Criminals tend to gravitate towards the easiest targets. You won't eliminate crime by taking many of the above steps, but you can make yourself a less attractive target and that is often enough to protect yourself; after all, lower-level criminals [mainly theft of money, not company or government secrets] only have so much time to engage in their activity and they are relatively rational in most cyber-crime in looking for the easiest targets with the best short-term payoff.

Switzerland - Interest Rates on Mortgages – The US Too!

In early February, the Swiss press started reporting that interest rates on mortgages in Switzerland were starting to rise significantly. This article in the Tages Anzeiger from early February noted that 10-year mortgage rates already rose above 1.8% at some banks from about 1.1% a year earlier.

What's going on with interest rates in Switzerland? Normally, a country's interest rates are tied closely to the Central Bank's interest rates, which remain unchanged at approximately minus

0.75% and is expected to stay this low for the foreseeable future. My short and speculative answer is that the Swiss mortgage market is a relatively well-organized cartel and that the industry decided to raise rates in response to the Swiss government's requirement that banks increase their capital by 2.5% against residential mortgages, announced in late January 2022. So, the bank's (and insurance company's) consumers will pad the bank's balance sheet by paying above market rates in order to "protect" the financial industry in case of a future Swiss real estate market downturn. Or in other words, the government is even more worried than they were in the past about real estate prices in Switzerland and the industry's reaction while adding some cash to the balance sheets and will aim to preserve bank's profit margins. Rates are still extraordinarily low in Switzerland, (they were closer to 4-5% before the financial crisis) and I wonder if this will really stop many marginal consumers from getting a mortgage until rates rise further. Watch this space, Swiss mortgages and real estate may give us more to talk about soon.

Mortgage rates in the US are increasing also. This is for a sounder interest rate policy reason. With US interest rates scheduled to go up by around 200 basis points this year, we have now seen the standard 30-year mortgage rates approach 5%. This should start to put a damper on inflation. While the 30-year mortgage rates do tend to move around, you have to go back to 2009 when the average annual 30-year rate was over 5%, 2022 could easily see the highest rates in over a decade.

Interesting links from this newsletter:

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The Federal Reserve's dot plot explained - and what it says about interest rates - Bankrate.com

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New Federal Reserve projections show six more rate hikes this year - CNBC

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Your Tax Return Is Getting Longer Again In 2022, Here's Why – John York

No matter your view on the Affordable Care Act, the Tax Cuts and Jobs Act, or Build Back Better, these massive tax overhauls cause a lot of headaches not seen in the "Your Tax Return is Now a Post Card!" (remember that?) headlines. Tax law changes need to work their way through a system of bureaucracies, software, lawyers, accountants, teachers, students, and more. With Build Back Better unfortunately/fortunately falling through in Congress, we were at least confident our colleagues in public accounting would be spared from one of these behemoth adjustments. Amazing to have one tax season lead smoothly into another for once. To quote my daughter's favourite Looney Tune, "That's all, folks!"

…Not quite. Many of you will find that the PDF of your 2021 return is significantly longer than it was in 2020 despite the rules staying the same in all material aspects. This is due to Form 1116's Schedule B, Form 8858, and Forms K-2/K-3.

If you receive a K-1 for example, you'll probably also receive a K-2 and K-3 each year going forward, and both are about 20 pages long. These came from the remnants of the TCJA tax overhaul. They force passthrough entities (mostly partnerships and S-corporations) to report significant details on the foreign income and foreign taxes paid on behalf of their partners/shareholders so that they can have all the information needed for their individual returns.

Form 8858 will impact expat freelancers who want to make sure they're avoiding potential penalties. New legislation implies that, if you're freelancing abroad, you're technically running a "foreign branch" of a US company. The industry is still deciding whether this applies to you, but cautious taxpayers wanting to err on the side of compliance should consider filing it. The biggest difference to you, besides fielding a few more questions from your tax preparer, will be keeping track of assets, liabilities, and foreign income taxes paid specifically for the freelance income (whereas before, you only had to worry about cash inflow and outflow).

In prior years, Form 1116 asked for a simple attached statement to track prior year carryovers. They're now requiring a "Schedule B" to accompany any foreign tax credit type. There are nine in total, but that's doubled with Alternative Minimum Tax. Usually, only one to four will apply to most expats. With AMT, that's an extra two to eight pages in that fancy tax return PDF. Why they decided to call it Schedule B, considering there is already a Schedule B with the 1040 (interest, dividends, foreign bank account checkbox) in virtually all taxpayer returns, is beyond me. Chalk it up to the sense of humour of an accountant over at the IRS. This one should at least be dealt with easily by our colleagues on the software side pulling the information correctly from the prior year(s). However, a competent tax preparer will still be reviewing them diligently, especially this year.

Unfortunately, the world of public accounting often has these adjustments as Congress, the IRS, and the courts, all interpret the tax code and how to collect the relevant information most "conveniently" from taxpayers. None of the above will result in more taxes, but they may mean a slightly higher tax prep bill as your preparer works through more data. We'll do our best to help you and your preparer, but it's another reminder to thank your tax preparer this year. Especially if they're getting your return out without an extension. I expect you might hear a few more "it depends" when you ask us or them specific questions related to them as well.

If I've learned anything from my public accounting career it's this: the more things change, the more things stay the same. As with every year and all the challenges it brings, we'll get through it together.

White Lighthouse Investment Management (WLIM) Information

Our Swiss compliance efforts are continuing, and we expect to submit our FINMA license request to the Self-Regulatory Organization OSFIN before the end of April. This is a major milestone, and we look forward to the continued progress as thousands of firms in Switzerland will be undergoing the same process this year. As part of these efforts, we have made a few internal changes to White Lighthouse Investment Management Sarl. John Wanvig will replace Michael Kenyon as a director in the company. Raphael Schindelholz, a partner and attorney at the law firm of Bonnard and Lawson was appointed to the role of Risk Officer and Assistant Compliance Officer. In these roles, as an external advisor, Raphael will help to ensure that WLIM remains compliant with all Swiss regulations.

On March 9th, our colleague, Arielle Tucker, along with Emily Haines of Xpatax in Germany, presented at the Democrats Abroad 2022 Tax Webinar. A copy of their presentation can be found on the WLIM website. On March 17th, John Wanvig made a presentation to the American Women's Clubs of Switzerland on Retirement Planning for Americans in Switzerland.

Congratulations to Otto Rivera who has been named as the new host of the Financial Planning Organization's International and Cross-Border Planning Knowledge Circle. Otto will bring together subject matter experts to present to the larger financial planning community.

White Lighthouse has completed the annual ADV filings with the SEC. This disclosure information is also available on our website on our disclosure page.

Miscellaneous: American Abroad Birth Certificates, 529 Accounts at Schwab, Global Health Insurance, ESG Investing, Bitcoin, Swiss VAT on Foreign Services, COVID, Private Equity

Many of our clients are American citizens who were born outside the US or have children who were born overseas. In order to renew children's passports or do a host of other things, an original birth certificate is needed. If you want an additional copy or have to replace a lost copy of Consular report of birth abroad. I recently used this service in Washington DC, and after 3 months new "original" copies of the birth certificate arrived. For those of you who want or need an extra copy, this US State Department link gives you all of the information you will need.

When contracting services (e.g., tax preparation, legal services, investment management, etc) on a cross-border basis, some jurisdictions may require clients to pay taxes directly rather than the service provider collecting taxes. Clients may be required to pay taxes in the jurisdiction where they live, based on White Lighthouse IM Inc. Fees. Switzerland, for example, requires its residents to pay Swiss Value Added Tax when they contract services on a cross-border basis whose value is more than 10,000CHF per year. So far, we do not know of any clients who have been asked due to a Swiss tax audit to pay these fees, we just wanted to remind you that this could happen.

Many of our clients who are subject to US taxes are saving up for college education expenses for their children, choose to use a 529 plan. 529 plans can be a very valuable tool, though when you live outside the US it can be difficult to find a US-based provider to open the account [even though 529 funds can be used in over 300 non-US institutions]. 529 plans are tax efficient in the US but not in Switzerland, so sometimes it can make sense for a US-based family member who wants to gift to their minor family member, to set up the account. Charles Schwab and company, one of the main custodians that our clients use, will allow for 529 accounts when the minor or the account owner lives overseas (in some countries, such as Switzerland).

Regular readers of our newsletter know that I am a reasonably big fan of technology, including blockchain, but am very much a sceptic on cryptocurrency as a replacement for traditional currencies. With Bitcoin and many other currencies down about 40% or more from their recent all-time high, and certainly not acting as a reasonable "inflation hedge", the Economist has an article from January 1 (behind a paywall), "Build Block Better: Is a greener, faster, and more decentralised alternative to Bitcoin possible? Building better blockchains is surprisingly hard".

The article highlights the pros and cons and the challenges that remain. Bitcoin, for example, can only handle about 7 transactions per second with relatively high fees. The entire blockchain community is becoming more centralized than expected with larger miners and exchanges having more power and the cost of creating a new coin; "proof of work" costs tens of thousands of dollars per new coin. [By comparison, Visa's network could handle about 65,000 transactions per second with the marginal cost being tiny, though it currently handles a fraction of this on average.] Ultimately, who do you trust more (or less), the current financial system or the people currently running the big crypto exchanges?

I think we are still in the very early stages of the disruption that technology will bring to the financial and payment industries. I expect blockchain technology will be important. Both entrenched players and current start-ups will have to stay nimble, there are a lot of companies who want to cash-in on this industry. I would not be counting out traditional finance and the large tech companies and I would not be betting (very much) on any current cryptocurrencies to become mainstream currencies used for payments...caution...a lot of volatility ahead in this space.

For clients who are looking at spending a long time traveling, who want to use regular doctors in multiple countries, or who are otherwise looking for a Global Health Insurance Provider, it is often difficult to use a traditional health insurance plan. Over the years a few of our clients have used, generally on a temporary (one- or two-year) basis, an international health insurance plan from CIGNA. Their insurance was recently featured in an article in The Local.ch and the company website makes it relatively easy to get a quote for your specific situation. If you can exclude the United States from your coverage, the prices are significantly less expensive on all of their plans.

ESG investing is another topic that I have written about and exercise a degree of scepticism on the "greenwashing" of investment vehicles. Some of our clients choose to have us use ESG funds, which indeed remove, to a large extent, certain industries and favour others. Regulators continue to pile in this subject to, as it seems, that so many funds (over 50% in Switzerland) are marketing themselves as socially responsible, with many changing little more than their actual description. In February, The Economist published an article entitled, "The Truth About Dirty Assets". The article highlights not only the greenwashing issues but the unintended consequences of driving more and more socially "less responsible" companies into private rather than public equity ownership.

While it may feel good to not "own" shares in a "bad" company, owners can often influence behaviour a lot more than non-owners. The article notes that the CEO of Blackrock (owner of the iShares brand of ETFs and many other industries) has suggested that investors should continue to own "dirty shares" and work with managers to make changes rather than divesting. The ESG movement has clearly had very important impacts on company management and practices resulting in positive results towards many socially responsible objectives, but still has a long way to go too. We will continue to monitor the industry, especially investment products, for best practice in the context of helping our clients meet their objectives.

The Economist article on private equity is another interesting one. Public and private equity markets tend to have many of the same value drivers (managers of companies incentivized to bring profitable growth to their shareholders), they do have some key differences too. Private markets are largely targeted to institutional investors with billions to invest and with very long-time horizons. Private equity is often characterized by higher company debts and high fees. To sharpen the focus of management they say, while true, it is also to juice investment returns and pay off the previous sellers.

I will often joke with my friends who work in this sector that I still have not met a private equity firm that is not in the top quartile (because many investment committees have this as a screening criterion to only invest in top performing firms). There are over 18,000 private funds now in the US alone and many more around the world. Private equity has taken higher risk on average than public equity and this has returned higher returns than public markets, on average, but the cycles here are even more sensitive than public markets to interest rate changes. We don't currently invest in private equity for our clients and unless a cost-efficient and truly value-adding way to add this into your accounts comes to market (Vanguard and Blackrock among others are exploring it), we will refrain.

In case you missed it, on March 16th the US Senate voted to make daylight savings time permanent. In order to become law, this must be passed by the House of Representatives (not yet on their agenda) and then signed by the President, so there are still some hurdles before US residents can put an end to the bi-annual clock changing routines.

I am tired of reading and writing about COVID and happy to see in many parts of the world that a movement towards "opening up" has begun. Personally, I have been relieved to see my kids not have to wear masks at school anymore and that I could enjoy a Disney holiday in February mostly mask-free. It was rather disheartening to read that Pfizer's vaccine in 5- to 11-year-olds was about 12% effective but positive to read in the WSJ that places, like in India, Indonesia, and South Africa hybrid immunity have kept deaths and hospitalizations from COVID there lower than expected and lower than previous waves. Switzerland just announced a listing of all remaining COVID restrictions as of April 1, 2022!

I am still left with the strong impression that the wealth of one's zip code [high correlation to excellent medical care access] as reported in The Economist was a very important factor and that too many policies and politics got in the way of common-sense decisions. It seems that both natural immunity and vaccination still both have a place in future protection. Let's hope that the worst of COVID and government policies are behind us and that we are better prepared for future challenges.

Market Wrap up for the 1st Quarter of 2022:

Index	Quarter	Last 12 months
S&P 500	↓ 4.9%	↑ 14.0%
Dow Jones	↓ 4.6%	↑ 5.1%
Canadian Market	↑ 3%	↑ 16.9%
Swiss Market Index (SMI)	↓ 5.5%	↑ 10.1%
FTSE	↑ 1.8%	↑ 12.0%
DAX	↓ 9.3%	↓ 3.4%
CAC40	↓ 6.9%	↑ 9.8%
Shanghai Index	↓ 10.6%	↓ 5.5%
$USD against CHF	↑ 1.2%	↓ 2.3%
$USD against €Euro	↑ 1.5%	↑ 7.8%
Federal Funds currently remains close to 0%		

When following market and economic statistics, this quarter was indeed “strange” well beyond the ups and downs of stock markets. The US dollar strengthened for most of the quarter, even against the Swiss Franc and especially as the fighting started in Ukraine. The SNB clearly seems to be pegging against the US dollar as the “safe haven” move never happened with the Franc. Value stocks were up, growth stocks were down and something that rarely happens in a given quarter, stocks and bonds were both down, but bonds more than stocks. The stock market outperforming the bond market is not at all rare with rising markets, it just is strange in a time of a stock market correction. Mortgage rates have been spiking, gold is up, and oil spiked to over $130 a barrel before falling as the US started cosying up with Iran, Venezuela and the oil industry, as a whole, at the same time trying to manage the climate change agenda. As the quarter is closing, the most popular fear index, the VIX, fell below 20 briefly in parallel to the S&P 500 closing about 5 percentage points lower than its all-time high. There is a lot going on in the world, would it be too much to ask for that by the end of next quarter, Ukraine, COVID and inflation have been replaced in the headlines by less interesting subjects?

Conclusion

At White Lighthouse we have the privilege of our clients sharing so much of their personal lives, well beyond financial information as well as their trust in our advice and services. We take this trust and responsibility very seriously and aim to provide timely, professional, and useful advice in return. As we see so many of you realizing your personal and professional goals, made even more challenging by the last couple of years, we would like to thank you for your continued trust, the many nice compliments we have received as well as the generous referrals many of you have made to family, friends, and colleagues.

We continue to encourage you to reach out to anyone on our team if there is any way we can help you with your personal financial questions. We would also like to consider that dream vacation, new car, starting a new hobby, making a gift or anything that you may have hesitated on due to world events. Part of our role is also to help you spend your money, not just invest it and so if you need a nudge to do something for yourself or others, we would be happy to be part of the conversation or decision-making process. We wish you all a very healthy and happy spring!

Jonathan and the White Lighthouse Team

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Permanent Reference Information

1. Sharefile: How to access your White-Lighthouse Quarterly Reports & Other Public Information
2. Annual Privacy Policy & Form ADV Brochure Updates
3. US taxpayers – with non-US Financial Accounts – FBARs (Foreign Bank Account Reports)
4. Annual IRA Required Minimum Distributions (RMDs) for US Citizens over age 72
5. Annual IRA Contributions for US Citizens with earned income
6. Tax Reporting

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1. Accessing Quarterly Reporting & Other Documents - Sharefile

All Clients of White Lighthouse Investment Management are entitled to have an account on our private server. Your account can be accessed at this link: https://wlim.sharefile.com. If you have forgotten your username or password or would like an additional account for your spouse or other family member, please let us know. As a best practice for the security of your information we strongly recommend that you enable 2-factor authentication with your Sharefile account. It is now required and Sharefile will force weak passwords to be changed.

Your quarterly reports are generally ready before the end of 2nd working day of each quarter and will be copied to your private folders. Historical reports are also retained. The completion of the quarterly reporting is announcement but a short e-mail where you will also find the quarterly newsletter attached. Additionally, every client has on-line access and receives paper or electronic account information directly from the custodian bank or brokerage firm where the accounts are established. If you notice any discrepancies or have any questions on our reports, please be in contact as soon as you can, and we will research the questions.

White Lighthouse Investment Management does not hold custody of your assets and receiving reports both from us and your custodian is for your protection.

In addition to quarterly reporting other information available on Sharefile is:

a. Prior Newsletters
b. The latest ADV forms filed with FINRA for both Individuals and the Firm
c. Privacy Policy
d. Trade Errors and Proxy Voting Policies
e. Proxy Votes
f. Reference Material (e.g., how to read our reports)
g. Clients may also store information in their private folders, especially if this is information, they would like me to keep on record.

If there is any other information you would like to see in the Public section of this system, please let us know.

2. Annual Privacy Policy & Form ADV Brochure Updates

The SEC (US Securities Regulations from the Securities and Exchange Commission) requires us to circulate, at least annually, our latest Privacy Policy and to inform you that our ADV Part 2 Brochures are available. You may request any of these documents in electronic or paper format. We will leave our Privacy Policy at the end of this reference section in each newsletter and allow this to serve as a regular reminder of our updated ADV forms. These filings change periodically throughout the year and for any material changes we will also announce them in our newsletter.

In the United States, if you would like to read additional disclosure and background information on any investment advisor, broker or firm, you can find more information at this link: http://www.adviserinfo.sec.gov/IAPD/Content/IapdMain/iapd_SiteMap.aspx

3. US taxpayers – with non-US Financial Accounts – FBARs (Foreign Bank Account Reports)

October 15th is the annual deadline for filing of the FBAR reports for US citizens who have non-US financial accounts worth more than $10,000 at any time during the year. For Overseas Americans, this form seems rather intrusive, but it is mandatory and the fines for failure to file and failure to report income from these accounts are severe. The FBAR form is being replaced by the new form FINCEN 114.

Starting back on July 1, 2013, these forms must be submitted electronically, paper versions of the forms will not be accepted in the future. Please check with your tax preparer to see if you or they will be filing the FBARs for you. Below are some links where you can read more. The first one is ironic. The place that you go to file your forms is headed by "Financial Crimes Enforcement Network"; as though having accounts overseas makes you guilty until proven innocent by filing your forms:

> FINCEN link – Where forms can be filed:
> http://bsaefiling.fincen.treas.gov/Enroll_Individual.html
>
> IRS Announcement:
> http://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/Report-of-Foreign-Bank-and-Financial-Accounts-%28FBAR%29

4. Annual IRA Required Minimum Distributions (RMDs) for US Citizens over age 72 (formerly 70.5 and for individuals who turned 70.5 in 2019 or earlier)

Most US taxpayers who have IRA, 401k, 403b or similar accounts will be required to make an annual distribution by December 31st from their accounts or face a 50% penalty of the required amount from the IRS. For many of these accounts the broker will calculate the RMD amount for you and remind you about making the distribution. We can help to manage this process for you and arrange for the distributions to be sent out by check, transferred to a bank account, or transferred to an investment account. We generally make these distributions, unless otherwise requested or needed for income, in the 4th quarter. Monthly, quarterly, or on-demand distributions can also be arranged.

RMD amounts are re-calculated each year based on the account value on December 31st and IRS tables related to the ages of the account holders. Some accounts (e.g., inherited IRAs) often do not have RMD calculations from the broker since these can have somewhat more complicated distribution formulas. Other accounts such as Roth IRA's are not subject to RMDs.

If you have any questions about Required Minimum Distributions, please let us know.

5. Annual IRA Contributions for US Citizens with earned income

If you are a US taxpayer with earned income in 2020 or 2021 you might be able to contribute to an IRA account. If your employer pension plan is not tax qualified in the US (e.g., most plans outside the US) then regardless of your income, you will be able to make a "deductible" contribution to your IRA account. There are many different types of IRA accounts, Traditional, Roth, SEP etc. The general contribution limit for employees $6000 per individual per year and $7000 if you are over 50 years of age in both 2020 and 2021.

You generally have until April 15th of the following tax year to contribute, though this deadline can be extended for SEP (generally for self-employed or employees of the self-employed) IRA contributions.

IRA Accounts are a great way to supplement your Retirement savings. For many clients, we help to make regular annual IRA contributions from their brokerage accounts to their IRA accounts. If you would like assistance with this or if you have any questions on whether your current year contributions have been made, please get in contact.

6. Tax Reporting US, Switzerland & All jurisdictions.

At White Lighthouse Investment Management, we encourage all clients to meet all their tax reporting and payment requirements in whichever local, state, or federal jurisdictions they must report and pay tax to. We are not tax advisors. We do not file tax returns for clients and cannot offer legal advice in respect to taxes though we know many competent advisors who can.

What we can do is help you and/or your tax advisor(s) to determine your taxable events for any given time-period using reporting directly from your bank or brokerage firm and/or from our own reporting systems. Don't ever hesitate to ask for our assistance here as our information systems contain a vast amount of information and flexibility in reporting with respect to your accounts.

At White Lighthouse Investment Management, we do have an in depth understanding of US taxes and use this knowledge to help our clients make good decisions. In addition, we understand the complications of cross-border rules with respect to US citizens and taxpayers that live overseas, non-Americans living in the US and mixed nationality couples. We also have a good working knowledge of the Swiss taxation system.

Additionally, we can engage in tax planning both inside your investment portfolio and outside. This may have to do with what types of investments to buy or sell which investments belong in which accounts, the timing of events or gift and estate taxation. This type of planning work can be done together with you or in conjunction with other professionals such as tax advisors or estate planning attorneys.

If you have accounts with us in the United States, your most common tax reports (1099s) are generally ready by the middle to end of February. These will include dividends, income, capital gains, and losses and now my management fees that have come out of taxable accounts. Other information that will be reported will be IRA distributions. For IRA contributions, the form 5498 is generally produced by your brokerage firm but this is often done well after your tax return has been filed. If you have contributed don't forget to report it to your tax advisor.

For Swiss resident account holders who have accounts at Swissquote, by default, we started last year to request the bank to produce their official tax report. The bank charges 100 CHF plus VAT for this report. A few clients have opted out of this which may make sense when there are very few taxable events in each year. If you would like to opt out or confirm if you have done so already, please let us know.

White Lighthouse
Investment Management

Jonathan Lachowitz, CFP®

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PRIVACY STATEMENT- 2022

White Lighthouse Investment Management, an independent financial planning firm, is committed to safeguarding the confidential information of its clients. We hold all personal information provided to our firm in the strictest confidence. These records include all personal information that we collect from you in connection with any of the services provided by White Lighthouse Investment Management. We have never disclosed information to nonaffiliated third parties, except as permitted by law, and do not anticipate doing so in the future. If we were to anticipate such a change in firm policy, we would be prohibited under the law from doing so without advising you first. As you know, we use financial information that you provide to us to help you meet your personal financial goals while guarding against any real or perceived infringement of your rights of privacy. Our policy with respect to personal information about you is listed below.

- We limit access to information only to those who have a business or professional reason for knowing, and only to nonaffiliated parties as permitted by law. (For example, federal regulations permit us to share a limited amount of information about you with a brokerage firm in order to executed securities transactions on your behalf, or so that our firm can discuss your financial situation with your accountant or lawyer).
- We maintain a secure office and computer environment to ensure that your information is not placed at unreasonable risk.
- The categories of nonpublic personal information that we collect from a client depend upon the scope of the client engagement. It will include information about your personal finances, information about transactions between you and third parties, and information from other sources as needed to provide our services on your behalf.
- For unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors, we also require strict confidentiality in our agreements with them and expect them to keep this information private. Federal and state regulators also may review firm records as permitted under law.
- We do not provide your personally identifiable information to mailing list vendors or solicitors for any purpose.
- Personally identifiable information about you will be maintained during the time you are a client, and for the required time thereafter that such records are required to be maintained by federal and state securities laws, and consistent with the CFP Board Code of Ethics and Professional Responsibility. After this required period of record retention, all such information will be destroyed.

White Lighthouse Investment Management, Inc.
Business Continuity Plan 2022 – Client Copy

White Lighthouse Investment Management, Inc. has developed a Business Continuity Plan on how we will respond to events that significantly disrupt our business. Since the timing and impact of disasters and disruptions is unpredictable, we will have to be flexible in responding to actual events as they occur. With that in mind, we are providing you with this information on our business continuity plan.

Contacting Us – If after a significant business disruption you cannot contact us as you usually do by phone, email or Skype, you should call our office manager Kathleen Quintero 201-394-9067 or go to our website at https://www.white-lighthouse.com/who-we-are . and contact another member of the team. If you cannot access us through either of those means, please contact your custodian or use your on-line log in to access your accounts.

Our Business Continuity Plan – We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the firm’s books and records, and allowing our customers to transact business. In short, our business continuity plan is designed to permit our firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption.

Our business continuity plan addresses: data backup and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees, and regulators; critical supplier and counter-party impact; regulatory reporting; and assuring our customers access to their funds and securities if we are unable to continue our business.

Varying Disruptions – Significant business disruptions can vary in their scope, such as only our firm, a single location of our firm, the business district where our firm is located, the city where we are located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. Since our firm is a “virtual firm” and our employees are all in different locations, the likelihood of this type of disruption effecting our whole business in minimal. If the significant business disruption is so severe that it prevents us from remaining in business, our clients can contact the custodian directly by phone, access their account online or if available use their checking and debit card capabilities to access funds.

For more information – If you have questions about our business continuity planning, you can contact us at 508-471-4431 or email: lachowitz@white-lighthouse.com or kquintero@white-lighthouse.com

Customer Relationship Summary

White Lighthouse Investment Management is registered with the Securities and Exchange Commission (SEC) as an investment adviser. Brokerage and investment advisory services and fees differ and it is important for you to understand these differences. Free and simple tools are available to enable individuals to research firms and financial professionals at investor.gov/crs. This site also provides educational materials about broker-dealers, investment advisers, and investing and we recommend that you visit this site as part of your decision-making process on choosing a financial services provider. We are happy to answer any questions that you may have about our firm, pricing and services.

What investment services can you provide me?	We offer investment management, financial planning and comprehensive wealth management services to Individual investors. Our specialty is serving international clients and global families including overseas Americans, non- Americans living in the United States and clients who require a global perspective. In order to provide investment management services, we conduct a discovery process to understand the clients' income and net worth, their goals, risk tolerance and other factors that inform the investment policy that guides the design and management of clients' portfolios. We create diversified portfolios with a custom designed asset allocation mostly composed of low- to moderate cost, high quality, liquid investments, mostly in the form of exchange traded funds from companies like Vanguard, BlackRock (iShares) and others though we may use or retain individual securities, mutual funds and bonds. We recommend the opening of securities brokerage and retirement accounts through independent custodians and use their trading platforms to manage investments. We do not work with annuities, insurance products and do not facilitate alternative investments like hedge funds, private equity and direct real estate holdings. We monitor our client accounts and investments every three months at a minimum and provide more frequent monitoring as needed or in agreement and coordination with the client. Our clients have the option to give our firm discretion to buy and sell securities on their behalf according to a mutually agreed asset allocation in the client's best interest. This authority can be given by the client at the start of the relationship and it will be active until a time where the client decides to withdraw it and notifies us. If the client decides not to give our firm discretion to buy and sell securities on their behalf, they need to understand that it is them who make the ultimate decision regarding the purchase and sale of investments. We provide financial planning services such as tax, retirement and estate planning, with a focus on US cross-border issues, either on project basis for clients who we do not manage assets, or on an ongoing basis for investment management clients and wealth management clients. Examples of specialized financial planning services include outbound and inbound US planning due to international relocations, business planning for professionals and owners with operations in multiple countries; rental real estate planning in and outside the USA; expatriation(surrendering US citizenship or green cards) and naturalization planning; estate and tax planning for beneficiaries of foreign trusts or complex structures and tax compliance review, including IRS international compliance programs. We have a minimum annual fee of $7,500 for new clients though the minimum may be higher or lower based on service level or special circumstances. For additional information, please see our website at www.white-lighthouse.com and Form ADV 2a.	***Conversation Starters:*** *Given my situation, should I choose an investment management service? Why or why not?* *How will you choose investments for me?* *What is your relevant experience, including your licenses, education and other qualifications?* *What do these qualifications mean?*

What fees will I pay?	For on-going investment management services, clients will pay (quarterly in arrears after the end of each calendar quarter) a percentage of assets under management and/or a fixed fee. In some cases, the client will only pay a fixed fee. For Project work, clients will only pay a fixed fee or an hourly fee. If you are charged a percentage of assets under management, the more assets that are in your account, the higher your fee will be and the firm and individual manager may therefore have an incentive to encourage you to increase the amount of assets in your accounts under our management. All White Lighthouse fees are stated in the contract for services. There are other costs to clients associated in working with us that could include custodian fees, trading fees, interest, wire or asset transfer fees, tax reporting fees and product level fees such as the fees charged inside of an exchange traded fund or mutual fund More details on our Fees can be found on our ADV 1 Section 5E, ADV 2a Pages 4-6 and on our web site www.white-lighthouse.com/pricing You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.	***Conversation Starters:*** *Help me understand how fees and costs might affect my investments. If I give you $10,000 to invest, how much will go to fees and costs and how much will be invested for me?*
What are your legal obligations to me when acting as my investment manager? **How else does your firm make money and what conflicts of interest do you have?**	When we act as your investment manager, we must act in your best interest and not put our interest ahead of yours. At the same time, the way we make money is charging fees based on a percentage of the amount of assets under our management. This creates some conflicts with your interests. You should understand and ask us about these conflicts because they may affect the recommendations or advice, we provide you. Here is an example to help you understand what this means: If we recommend you to move money or financial securities into an account that we manage the more the account will be worth and the higher your fee will be. More specifically, if we make a recommendation to rollover your employer retirement plan into an IRA account managed by our firm your fees paid to us will increase since we will be managing more assets. Our firm does not receive compensation based on recommendations of products or any other advice or services. The firm does not have or offer any kind of proprietary products.	***Conversation Starters:*** *How might your conflicts of interest affect me, and how will you address them?*
How do your Financial Professionals make money?	Our financial professionals are compensated through a salary and/or direct revenue earned by the firm from the clients the advisors service and may receive standard benefits such as health insurance, retirement fund contributions and expense reimbursement for normal and customary business expenses. Investment managers therefore earn a higher salary directly based on the amount of investments they advise on or manage. When doing project work, our advisors may earn more money based on the time spent on a project. Our advisors do not earn any compensation based on products sold, sales commissions. Neither the firm nor the individual receive compensation based on recommendations of products or any other advice or services.	
Do you or your financial professionals have legal or disciplinary history?	No, none of our financial professionals have any legal or disciplinary history. Visit investor.gov/crs for a free and simple search tool to research us and our financial professionals.	***Conversation Starters:*** *As a financial professional, do you or anyone on your team have disciplinary history?* *For what type of conduct could an advisor get a record for discipline?*
Additional Information	For additional information about our services, visit our website: http://www.white-lighthouse.com/ If you would like additional, up-to-date information or a copy of this relationship summary, please call +1 508 471 4431 or e-mail Kathleen Quintero at kquintero@white-lighthouse.com	***Conversation Starters:*** *Who is my primary contact person?* *Is he or she a representative of a registered investment advisor?* *Who can I talk to if I have concerns about how this person is treating me?*